

**REMARKS*****With Regard to the Drawings***

The Examiner requires new formal drawings because of problems indicted on the Notice of Draftsperson's Patent Drawing Review filed August 5, 1999. The present response includes formal drawings in compliance with applicable sections of 37 C.F.R.

***With Regard to the Claims***

Claims 1 – 12 are pending in the present application. Claims 1 – 7 stand rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,744,883 to Andersen *et al.* (Andersen) While it is not explicit in the opening sentence of paragraph 3 of the Detailed Action whether Claims 8 – 12 stand rejected also in view of Andersen, Applicant replies as though that is the case, in light of Examiner's later remark regarding each of Claim 8 – 12 is "Same reasoning as given in claim 1 rejection." Applicant respectfully traverses this rejection.

***Regarding claim 1***

Andersen, col. 6, ll. 59-61, is cited by the Examiner. That portion of Andersen states that: "Because the Decision Flex system 100 dictates a structured approach to negotiation, every deal is worked in a consistent manner. This provides three major benefits: ...(iii) all customers 104, regardless of budget or credit characteristics can be treated in an impartial, consistent, professional and legal fashion thus enhancing the dealer's Customer Satisfaction Index which is a key indicator to the vehicle manufacturers when evaluating dealerships." Thus, Andersen discloses a method of extending credit where the use of the disclosed method impacts how the dealer is rated in a later conducted Customer Satisfaction Index and this later enhanced CSI impacts how the vehicle manufacturer evaluates the dealer. Andersen does not disclose that the dealer's CSI is used in any way to assess the risk of default and/or late payment by an individual car buyer. Claim 1 of the pending application is directed to the use of the Original Equipment Manufacturer's (OEM) evaluation of the supplier as part of a "method of determining the risk of default and/or late payment by a borrower"

The Examiner notes on page 3, at line 4, that "Andersen fails to disclose that the borrower/customer is a supplier." The Examiner implicitly acknowledges that Andersen does not

anticipate claim 1 of the pending application. The Examiner states on page 3, at line 4-7, that Andersen discloses the use of a CSI by suppliers (vehicle manufacturers) to evaluate other suppliers (car dealers). However, Andersen does not disclose that the CSI is used to assess the risk of default and/or late payment by any borrower and certainly does not assess such a risk when the borrower is a supplier in the supply chain. The Examiner states on page 3, at lines 7-11, that it would have been obvious to modify Andersen's system to include suppliers. Claim 1 of the pending application is directed towards supply chain financing and is not directed to financing individual retail purchases by customers as is disclosed in Andersen. There is no suggestion in the cited portions of Andersen that the method disclosed be used to finance suppliers. The Andersen methodology cited is not directed to financing ongoing and multiple transactions between members of a supply chain. Further the system disclosed in Andersen does not consider an evaluation of the borrower by an OEM as part of the assessment of risk of default and/or late payment by the borrower. Additionally, the Andersen methodology will only indirectly and long after the customer purchase is completed have any impact on the dealer's CSI. Andersen discloses no method to measure or assess whether the use of the Andersen system had any impact on the dealer's CSI. The Examiner correctly recognizes, at page 3, lines 10-11, that use of the invention in claim 1 "would greatly increase the amount of sales/profits in a shorter amount of time, and with less paperwork." Despite this long-felt need, to applicant's knowledge, no one has modified systems designed to assess financing needs for retail consumers to meet the borrowing needs of suppliers in supply chains using the method set forth in claim 1 of the pending application.

doing  
extension

*As per claim 2*

See discussion of claim 1 above. In the cited portions of Andersen the Customer Satisfaction Index (CSI) evaluates how the dealer is regarded by its customers, but does not factor in how important the supplier is to the OEM.

*As per claim 3*

See discussion of claim 1 above. In the cited portions of Andersen the Customer Satisfaction Index (CSI) evaluates how the dealer is regarded by its customers, but does not factor in how important the supplier is to the functioning of the supply chain.

*As per claim 4*

See discussion of claim 1 above. The Examiner notes on page 3, at line 4, that “Andersen fails to disclose that the borrower/customer is a supplier.” The Examiner implicitly acknowledges that Andersen does not anticipate claim 2 of the pending application. Claim 2 of the pending application is directed towards supply chain financing and is not directed to financing individual retail purchases by customers as is disclosed in Andersen. There is no suggestion in the cited portions of Andersen that the method disclosed be used to finance suppliers. The Andersen methodology cited is not directed to financing ongoing and multiple transactions between members of a supply chain. To applicant’s knowledge, no one has modified systems designed to assess financing needs for retail consumers to meet the borrowing needs of suppliers in supply chains using the method set forth in claim 2 of the pending application. The Examiner on page 4, at lines 1-4, cites Andersen, col. 3, ll. 56-67 for the proposition that: “Andersen discloses a method of determining the credit worthiness of a borrower/customer by: ... factoring in a supplier’s evaluation (dealership) of the borrower/customer...” That section of Andersen discloses a method for “selecting a best financial program” (Andersen, col. 3, l. 58). The program is not using a dealer’s evaluation of the customer to determine creditworthiness. Instead, the Andersen disclosure “provides a transaction management system” that “automatically selects the ‘best fit’ or most profitable finance program available to the dealership” “according to the requirements of the pre-programmed list of lenders” (Andersen, col. 3, ll., 8-9, 14-15, 19-20).

*As per claim 5*

See discussion of claim 1, 2, and 4, above. In the cited portions of Andersen the borrower is not a supplier and the dealer does not factor in how important the borrower is to the dealer.

*As per claim 6*

See discussion of claim 1, 2, and 4, above. In the cited portions of Andersen the borrower is not a supplier and the dealer does not factor in how important the borrower is to the functioning of the supply chain.

*As per claim 7*

See discussion of claim 1, 2, and 4 above. The cited portions of Andersen do not disclose an OEM receiving information regarding supplier operations from both direct and indirect suppliers. The cited portions of Andersen do not disclose the direct and indirect suppliers receiving a value from the OEM by participating in a favorable supply chain financing program. The cited portions of Andersen do not disclose data inputs for data processing to assist in the coordination and/or management of supply chain activities.

*As per claim 8*

See discussion of claim 1, 2, 4 and 7 above. The cited portions of Andersen do not disclose providing credit enhancement to the benefit of a supplier in a supply chain. The cited portions of Andersen do not disclose determining the value of the supplier to an OEM and/or the functioning of the supply chain. The cited portions of Andersen do not disclose transmitting an assurance from the OEM to a at least one third party lender or at least one investor that the supplier is an important part of the OEM's business.

*As per claim 9*

See discussion of claim 1, 2, 4, 7 and 8 above. The cited portions of Andersen do not disclose a financial institution determining the risk of default and/or late payment by a potential borrower which is a supplier in a supply chain. The cited portions of Andersen do not disclose a financial institution using an OEM's valuation of the supplier in a supply chain. The cited portions of Andersen do not disclose issuing asset backed securities. The cited portions of Andersen do not disclose use of data inputs about the supplier's operations to assist in the coordination and/or management of supply chain operations.

*As per claim 10*

See discussion of claim 1, 2, 4, 7, 8, and 9 above. The cited portions of Andersen do not disclose obtaining favorable loan conditions for a participant in a supply chain. The cited portions of Andersen do not disclose participation in educational programs about supply chain operations.

*As per claim 11*

See discussion of claim 1, 2, 4, 7, 8, 9, and 10 above. The cited portions of Andersen do disclose using credit enhancement techniques by a strong participant in a supply chain to support asset backed securities. The cited portions of Andersen do not disclose obtaining favorable loan conditions for a weak participant in the supply chain based upon the strong participant's support of the asset backed securities.

*As per claim 12*

See discussion of claim 1, 2, 4, 7, 8, 9, and 10 above. The cited portions of Andersen do not disclose assisting a small or weak participant in a first supply chain to obtain favorable financing supported by a large or strong participant. The cited portions of Andersen do not disclose using the favorable financing provided to the small or weak participant to produce additional goods and/or services supplied to a second supply chain which competes with the first supply chain. The cited portions of Andersen do not disclose providing rebates to the large or strong participant from the small or weak participant within the first supply chain in exchange for the assistance provided by the large or strong participant.

*Regarding New Claims 14 – 21*

The new claims are novel and non-obvious for substantially the same reasons as the original claims. The new claims have been added to focus on the activities performed by individual actors in the supply chain financing program.

**CONCLUSION**

Applicant respectfully submits that this application is in condition for allowance, and such disposition is earnestly solicited. If the Examiner believes that the prosecution might be advanced by discussing the application with Applicants' representatives, in person or over the telephone, we would welcome the opportunity to do so.


Respectfully submitted,  
James R. MYERS

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KILPATRICK STOCKTON LLP  
607 14<sup>th</sup> Street NW  
Suite 900  
Washington, DC 20005-2018  
(202) 508-5800

By:

 44,657

George T. Marcou  
Attorney For Applicant  
Registration No. 33,014